

# **MARICOPA COUNTY BOARD OF HEALTH MEETING MINUTES**

## **Finance Committee**

**Monday, July 24, 2017**

**301 W. Jefferson Street, 10<sup>th</sup> Floor**

**Phoenix, Arizona 85003**

**Board of Supervisors Conference Room**

Meeting was called to order at 2:35 p.m.

### **ROLL CALL:**

#### **Members Present:**

Don Cassano

Bob MacMillan

Francisca Montoya

Nedra Halley (via phone)

Don Hughes

#### **Members Absent:**

Kip Steill

### **ACTION ITEMS:**

#### **1. Approval of BOH Finance Committee Minutes April 23, 2017:**

Vice President Hughes asked for a motion to approve the minutes from the BOH Finance Committee Meeting held on April 23, 2017. Motion was made by Mr. MacMillan to approve the BOH minutes as presented. Motion was seconded by Ms. Montoya and the motion passed unanimously.

### **ACTION ITEMS:**

#### **1. Public Health FY18 OMB Budget Recommendation**

**Mr. Scot Pitcairn**

Mr. Scot Pitcairn presented the Department of Public Health's FY18 OMB Budget Recommendation to the Board of Health Finance Committee for approval. The total funds for FY18 is \$64,268,911. The general fund is \$12,275,818, the grant fund is \$44,230,398, the grant fund non-recurring is \$719,393, the special revenue fee fund is \$6,793,302, and the special revenue non-recurring fund is \$250,000, summing \$64,268,911. Mr. Scot Pitcairn explained some of the adjustments between FY17 adopted to FY17 revised budgets including the pay for performance salary adjustment, Central Telecom adjustment and the FY18 non-recurring funding to complete the North Valley Vital Registration office.

**Vice President Hughes asked for a motion to approve the Public Health FY18 OMB Budget Recommendation. Motion was made by Ms. Francisca Montoya to approve the Public Health FY18 OMB Budget Recommendation. Motion was seconded by Ms. Nedra Halley and the motion passed unanimously.**

#### **2. Environmental Services FY18 OMB Budget Recommendation**

**Mr. Gus Martinez**

Mr. Gus Martinez presented the Environmental Services Department's FY18 OMB Budget Recommendation to the Board of Health Finance Committee for approval. The OMB recommended budget for Fund 100 is \$22,221 in revenues and \$4,126,444 in expenditures. Vice President Hughes asked how this fund balances. Mr. Gus Martinez replied that this is typical for this particular fund. The OMB recommended budget for Fund 506 is \$20,227,476 in revenues and \$19,462,793 in expenditures. Ms. Nedra Halley asked about the technology funds in the non-reoccurring expenditures. Mr. Gus Martinez replied that OET has said this funding is needed for storage capacity. Ms. Francisca Montoya asked about

the vehicle replacements in the non-reoccurring expenditures; Mr. Gus Martinez replied that the department has 25 vehicles eligible for replacement but only has plans to replace 15. Mr. Bob MacMillan asked about the increase in minimum wage and if it would have any effect on the department. Mr. Gus Martinez replied that OMB recommended to not factor minimum wage into the budget as Environmental Services Department will not be affected by the new law. Vice President Hughes asked about the increase in restaurants opening and if the department had enough staff to meet inspection numbers. Mr. Gus Martinez replied that right now the department is meeting inspection numbers with the current employees, but if the trend continues, the department will ask for spending authority for more appropriations.

**Vice President Hughes asked for a motion to approve the Environmental Services FY18 OMB Budget Recommendation. Motion was made by Ms. Nedra Halley to approve the Environmental Services FY18 OMB Budget Recommendation. Motion was seconded by Ms. Francisca Montoya and the motion passed unanimously.**

## **DISCUSSION ITEMS:**

### **1. Public Health Finance Report**

**Mr. Scot Pitcairn**

Through the end of March, Public Health has spent 73.6% of the General Fund allocation. Spending year to date is below budget year to date by \$448,008. \$171,456 is from vacancy savings and the rest of the positive variance is in indirect allocations, repairs & maintenance, and lab reimbursements. Public Health anticipates an upturn in the general fund spending in Epidemiology for increased surveillance and reporting for Zika virus. Public Health is receiving a 1.2million federal grant to assist with this effort. Public Health is going to be spending additional funds to pay for high-cost medication for a few drug resistant TB cases.

At the end of the third quarter, 73.8% of the grant fund budget has been expended. Of the net positive variance totaling \$540,883, \$2,538,502 is in personnel and a net negative (\$1,997,619) is in operations. Grant revenues are \$5.8 million behind budget year to date. For several of Public Health's large grants, grant payments were 2-3 months behind. The department is now caught up on monthly billings to the grantor.

Public Health has spent 71.7% in the Special Revenue Fund at the end of the 2<sup>nd</sup> quarter. Fee revenues are \$743,169 ahead of budget year to date. Vital Registration collections are short of budget, but this is offset by a positive variance in patient charges. Vice President Hughes asked about the 509% of budget positive variance in Refugee health screenings. Mr. Scot Pitcairn replied that this due to delayed getting the budget increased and a late payment from MercyCare that was withheld for 8 months. When the contract was approved, the payments came in at one time. The fund is actually even.

### **2. Environmental Services Finance Report**

**Mr. Gus Martinez**

Agency 880 is reporting revenues 8.76% over the YTD budget and expenditures 15.56% under the YTD. The positive variance in expenditures is attributed to positive variances in the following areas: services allocation of 28K, General Supplies and Services variance of 64K, fuel variance of 31K, postage variance of 8K, and Capital Equipment variance of 312K. The variances in services allocation, General Supplies & Services, and Capital Expenditure are expected to hit in the 4<sup>th</sup> quarter of FY17.

Agency 881 is reporting expenditures 21% under YTD budget. The amount is primarily attributed to general services variance of 10K which is expected to be spent in the 4<sup>th</sup> quarter.

Agency 883 is reporting revenues 7.39% over the YTD budget and expenditures 6.56% under the YTD budget. The agency is experiencing higher than average permit and plan review submittals in pool, food permitting, and environmental plan review resulting in 577K over budget. The variance in expenditures is primarily made up of personnel services of 537K and Capital Expenditures variance of 442K. Charges for both variances are expected to hit in the 4<sup>th</sup> quarter of FY17.

### **Adjournment**

There being no further business, motion was made by Mr. Bob MacMillan to adjourn the meeting. The motion was seconded by Ms. Nedra Halley and the motion passed unanimously. Vice President Hughes adjourned the Finance meeting at 3:04 p.m.